

Factors Affecting Social Entrepreneurial Orientations: Moderating Role of Government Support

*Shafna Abdul Majeed¹, K.A.S.S. Kodithuwakku², M.H.R. Abhayarathne³

¹ *University of Peradeniya*

shafnaam@agri.pdn.ac.lk

² *University of Peradeniya*

sarathabc@gmail.com

³ *University of Peradeniya*

ravini.abhayarathne@agri.pdn.ac.lk

INTRODUCTION

In today's society, non-profit organisations play an important role as they attempt to satisfy human necessities in an alternative way to profit-seeking firms and the government. In this sense, they are active in different areas (Soriano & Galindo, 2012). In many nations, there has been a surge in the number of non-profit organisations and the extent and breadth of their activities in the recent past (Kusa, 2016). Non-profit organisations heavily rely on donations and government subsidies to stay afloat (Chen & Hsu, 2011). Increased competition for public funds or donations as a result of the economic recession (Dees, 1998; Haugh, 2007; Leroux, 2005; Weerawardena & Mort, 2006) and a changed role of governments in social service provision (Haugh, 2006; Schmid, 2004) have put increasing environmental pressure on non-profit organisations. Therefore, non-profit organisations are being forced to embrace a more innovative and entrepreneurial approach in order to survive. (Dart, 2004; Dees, 1998; Dover & Lawrence, 2012; Gras & Mendoza-Abarca, 2014; McDonald, 2007).

The majority of non-profits that engage in entrepreneurial behaviour do so for reasons such as the need to generate revenue or increase internal efficiency in order to maintain financial viability, state of mind about how demands and social needs exceed the organization's capacity to respond and changes in the surrounding environment that provide opportunities for generating social value (Dees, 2001; Morris et al., 2011; Pearce et al., 2010; Zahra et al., 2009). Other motivators for entrepreneurial behaviour include the desire to achieve more, satisfy the most pressing social needs, and do everything possible with the available organizational resources. (Morris et al., 2011). Social entrepreneurial orientation refers to an entrepreneurial orientation in the non-profit sector (Morris et al., 2011). Organizations with a higher social entrepreneurial orientation and a social entrepreneurship perspective are believed to be more sustainable and able to thrive in competitive contexts while also having a greater social impact (Dart, 2004a, 2004b; Eikenberry, 2009; Hu & Pang, 2013).

Although non-profit social service organizations in Sri Lanka play a vital role, their existence is precarious, and many tend to disappear or become inactive (National NGO secretariat data: Sri Lanka, 2020). Government policies and support also determine the sustainability of non-profit organisations. If the government support is favourable, NPOs tend to perform effectively (Tan, 2010). From a government policy perspective, a better understanding of social entrepreneurship in a non-profit context could aid in the development of local public policies to finance and support organizations interested in meeting societies' needs (Brown & Moore, 2001).

Despite the importance of non-profit organisations and the role of social entrepreneurial orientation in sustaining a non-profit organisation, research on this area in Sri Lanka appears to be lacking in the literature. Thus, to provide more targeted insights for these organizations, it is vital to look into the factors that drive non-profit organisations' social entrepreneurial orientation adoption. Therefore, the study aimed to identify factors that influence the social entrepreneurial orientation of non-governmental non-profit social service organizations and to investigate how government support influence the factors that impact social entrepreneurial orientation. Social entrepreneurship theory was adopted to understand social entrepreneurial orientation in the non-profit organizational context.

In order to explore the intended objectives, the study was carried out in the Ampara district of Sri Lanka, which was severely affected by the Tsunami in 2004 and the 30-year civil war. Thus, the involvement of several non-profit organisations is needed but the active engagement of the social services has started to diminish in this area. Consequently, this context creates the necessity for this study. This study contributes to the existing body of knowledge with the special focus on social entrepreneurial orientation of non-profit organisations by uncovering how social entrepreneurial behaviour is influenced by other specific behaviours adapted by non-profit organisations and thus foster their organizational viability and development.

LITERATURE REVIEW

A non-profit organization is a legally constituted organization whose objective is to support or engage in activities of public or private interest and identified as the "third sector" (Enjolras & Sivesind, 2018). Non-profit organisations are active in areas such as environment, humanitarian aid, animal welfare, education, arts, social concerns, charities, health care, politics, religion, etc. Non-profit organisations are more likely to develop activities that do not generate a monetary profit but produces social profits or social benefits (Knox & Gruar 2007; Mas-Verdu et al. 2009).

In non-profit sector the entrepreneurship has become increasingly diffused. Entrepreneurship in non-profit triggered by the simultaneous rise of financial challenges (Gras & Mendoza-Abarca, 2014) and the complexity of the societal problems that non-profit organisations aim to tackle (Lumpkin et al., 2013). Roberts & Woods (2005) refer to social entrepreneurship as the application of entrepreneurship in the social sphere or non-profit sector. Social entrepreneurship develops innovative business models for providing products and services that directly address unmet basic human needs that are not met by

present economic and social structures (Seelos & Mair, 2005). As a result, social entrepreneurship revolves around the creation of social value through social entrepreneurship and the development of strategies (Choi & Majumdar, 2014).

Social entrepreneurial orientation refers to an entrepreneurial orientation in the context of social entrepreneurship (Alarifi et al., 2019). Entrepreneurial orientation is considered a strategic orientation that captures specifically entrepreneurial aspects of organizations' strategy for better preparing them in adjusting their operations in dynamic competitive environmental contexts (Lumpkin & Dess, 1996). Morris et al. (2011) argue that innovativeness, proactiveness, and risk taking are more complex and multifaceted in the non-profit context.

Social aspects should be considered while evaluating entrepreneurial orientation in the non-profit sector (Kusa, 2016; Morris et al., 2011). Therefore, Kraus et al., (2017) proposed a construct which captures entrepreneurial orientation more accurately in a non-profit context; this proposed social entrepreneurial orientation construct consists of four dimensions: social innovativeness, social proactiveness, social risk-taking and socialness.

According to Garca-flores & Martos (2019), social innovation (SI) is defined as “practices or initiatives undertaken by the community that produce solutions and provide a better response, in an alternative and creative manner, to social problems or needs. Social entrepreneurial orientation may be beneficial to such organizations, given how social innovation is closely linked with a strong organizational commitment that favours creative ideas and processes that may result in new products, services, or technological advances (Beekman et al., 2012; Tan & Yoo, 2015). Therefore, innovation can be considered as another aspect that may help non-profit organisations provide better services to their communities (Beekman et al., 2012). On the other hand, academics agree that innovation aids in enhancing the efficiency and performance of non-profits, allowing them to provide higher-quality services to their users (Suh et al., 2018; Nuez-Pomar et al., 2020). Given the preceding, innovation plays a vital role for non-profits under pressure to embrace approaches applied primarily to the profit-making sector (Dover & Lawrence, 2012; Suh et al., 2018) due to a downturn in state funding (Roque & Rocha, 2018).

Consequently, proactivity relates to the active pursuit of opportunities, anticipating demand, being the first to adopt a position, and contrasting from innovation in the manner in which the latter adds something new, such as an invention (Pearce et al., 2010). Proactivity is defined as implementing new measures that are, imitations and replications in their overwhelming majority (Alarifi et al., 2019; Pearce et al., 2010). Lumpkin and Dees (2001) and Rauch et al. (2009) state that proactive organization generally deploy information and knowledge to identify the opportunities arising and gain competitive advantages over their peers. Rauch et al. (2009) found a positive correlation between proactiveness and the performance of an organization.

Risk-taking denotes an organization's willingness to invest considerable resources in new or uncertain markets while ignoring the potential consequences (Alarifi et al., 2019; Chen & Hsu, 2013). Accepting risks necessitates the ability to act outside of established conventions and procedures norms (Pearce et al., 2010). In the non-profit sector, commonly risks can be related to non-financial rather than financial (Alarifi et al., 2019) because of that, social risk-taking is more problematic than the risk in the for-profit sector (Tan & Yoo, 2015). This has been evidenced by issues of reputation when granting or refusing support to interested parties (clients, communities, etc.) and holding repercussions for compliance with the social mission. Similarly, adhering to the social mission may result in significant financial losses (Alarifi et al., 2019). But, non-profit organisations that exhibit a social entrepreneurial orientation have evidenced improved levels of performance while contributing value to the society (Martinez-Climent et al., 2019).

Socialness investigates the extent to which an organization focuses on creating social value and entrepreneurial solutions for social problems (Kraus et al., 2017; Hu & Pang, 2013; Satar & Natasha, 2019). In the measurement scale developed by Kraus et al. (2017) the magnitude of socialness possessed by the organization was measured using three items: "the objective to accomplish our social mission precedes the objective to generate a profit, our organization places a strong focus on partnerships with other organizations and/or governments in order to ensure a greater and accelerated accomplishment of the social mission, and we set ourselves ambitious goals in regard to sustainability and incorporate them in all". Therefore, Kraus et al., (2017) argue that the scale proposed to measure social entrepreneurial orientation by their study provides a deeper understanding of the entrepreneurial behaviour of non-profit organisations.

Factors that influence the entrepreneurial orientation of an organization include demographic characteristics of the owner/manager of the organization (level of education, prior experience, religion, gender, age, education, previous employment and ethnicity) and organizational factors (organization size, organization age, social network structure, organizational structure, perceived non-financial government support, source of income). Older organizations demonstrating a stronger tendency to introduce innovation, act proactively, and take risks (Gelan & Wedajo, 2013). Larger organizations are more likely to participate in innovative activity (Jelenc et al., Gelan & Wedajo, 2013; Stam & Elfring, 2008).

According to the study of Gelan & Wedajo (2013) the owner's age has been linked to a negative association with social entrepreneurial orientation, implying that older owners or managers are less likely to innovate, act proactively, and take risks. Manager's/owner's level of education and prior experience are both linked to individual as well as organizational entrepreneurial orientation. Managers/owners/employees in organizations who possess greater job experience, market understanding, business practice expertise, and a higher level of education, are more likely to display entrepreneurial orientation qualities (De-Wit & Van-Winden, 1989). Quaye et al. (2015) assert that

men are found to be more entrepreneurial oriented than women. Further, Shivani et al. (2006) state that people from religions show different entrepreneurial orientation levels.

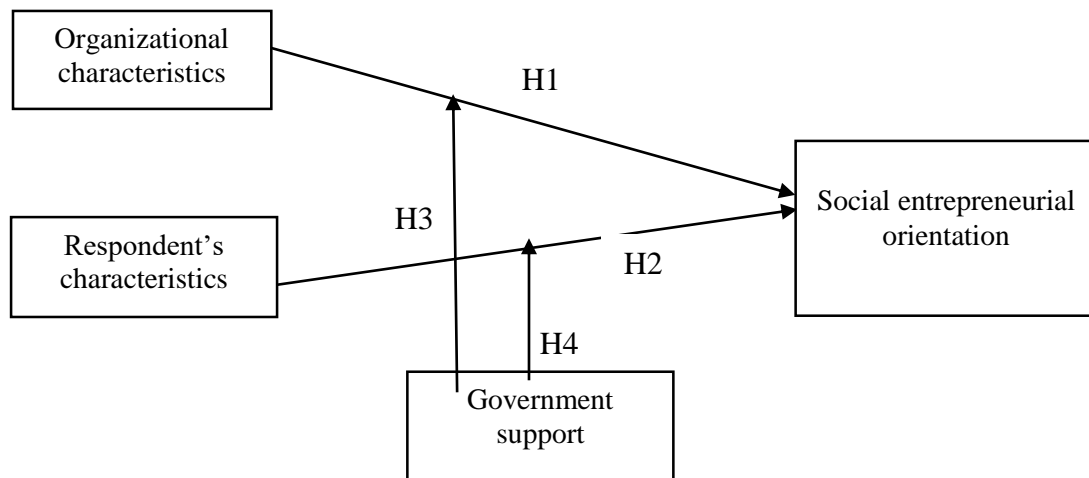
The structure of the social network can be examined in terms of information acquisition, opportunity enabling, weak-tie resource mobilization and strong-tie resource mobilization (Thornton et al., 2013). Research indicates that compared to other aspects, having a strong-tie resource mobilization is important for entrepreneurial orientation (Thornton et al., 2013). In addition, the organizational structure has been associated with EO, where organic structures have shown comparatively higher entrepreneurial orientation than mechanical structures (Safieepoor&Shoghi, 2013). The mechanical structure is generally suited for stable and predictable environments and organic structures for turbulent and unstable environments (Gresov&Drazin, 2007). Another finding related to non-profit organisations has shown that involvement in commercial activities significantly influences the entrepreneurial orientation (Do Adro et al., 2021).

An organization can receive financial assistance from a variety of sources, including internal funds, angel investors, banks and financial institutions, and so on. Also, the government provides both financial and non-financial support to organizations. Non-financial government support refers to resources other than money that are available to help an organization flourish (Songling et al., 2018). Local government support primarily through funding programs, training programs, and/or social procurement policies and initiatives local government support may also involve raising community awareness (Duniam& Eversole, 2013). Government support for non-profit organisations vary across environmental context and country (Frumkin& Kim, 2002).

Further, government financial support significantly influences the entrepreneurial orientation and social entrepreneurial orientation of organizations and non-profit organisations (Shu et al., 2018; Tan, 2010). It has also been found to have a positive impact on organizational performance (Pergelova& Angulo-Ruiz, 2014; Songling et al., 2018). Support from the government also tends to strengthen the relation between entrepreneurial strengthen and social networking structure. (Alkahtani et al., 2020). Lim &Envick (2013) In conjunction with government assistance measures, it was discovered that entrepreneurial orientation differs greatly by gender.

Based on the review of literature, the study proposes the following the conceptual framework given in Figure 1

Figure 1: Conceptual Framework



Hypotheses

H1: Organizational characteristics have a significant effect on social entrepreneurial orientation.

H2: Respondent personal characteristics have a significant effect on social entrepreneurial orientation.

H3: Government support plays a moderating role in the relationship between organizational characteristics and social entrepreneurial orientation.

H4: Government support plays a moderating role in the relationship between respondent's characteristics and social entrepreneurial orientation.

RESEARCH METHODOLOGY

This study used a cross-sectional study design, which means that data from several variables were collected at the same time, as well as a quantitative approach to assess the objectives. In order to obtain data, a self-administrated questionnaire survey was used. The study sample consisted of non-governmental non-profit organizations that were formally registered and operating (at the time of data collection) in the Ampara area. Individual non-profit organizations served as the study's unit of analysis, and the census method was employed to identify participating organizations. The Ampara district NGO secretariat provided information on the list of non-profit organizations operating in the Ampara district. According to the information provided, there were 756 registered non-profit organizations. The contact information for 155 of the 756 organizations was not available. The remaining 601 non-profit organizations were approached either by n person, by phone call or by email. Of those contacted, 285 organizations were inactive, while the contact details of another 114 were incorrect. In addition, another 34 were unresponsive, and 58 refused to participate in the study. Thus, the study collected data from 110 organizations. The hypothesized relationships were tested with data collected through pre-tested structured questionnaires.

Validated measurement scales were adopted from prior studies with minor modifications where needed. Independent variables were the characteristics of the organization (organization size, organization age, social network structure, organizational structure, perceived non-financial government support, source of income (government financial support, other organization financial support, individual donations, members' subscription & organization involves in earning activities) and characteristics of the respondent (age, gender, religion, ethnicity, level of education and business experience). The five-point Likert scale of 1 to 5 points (strongly disagree, disagree, neutral, agree, and strongly agree) was used to measure social entrepreneurial orientation. Items for measuring social entrepreneurial orientation were adapted from Kraus et al. (2017), consisting of four dimensions' social innovativeness, social risk-taking, social proactiveness and socialness, Social network structure measures were adapted from Thornton et al. (2013). For the government, non-financial support was measured using a scale adapted from Korosec & Berman (2006) and organizational structure was measured using a scale by Jewczyn (2010).

DATA ANALYSIS

Data analysis was done using Structural Equation Modeling (SEM) in SPSS Amos version 26. SEM is a multivariate statistical analysis technique and was preferred over regression as it allows assessment of the pathways through which the relationships among the dependent and independent variables are significant (Nachtigall et al., 2003). SEM is a combination of factor analysis and multiple regression analysis used to analyze the structural relationship between measured and latent variables. In Social Science, the use of SEM is commonly justified due to its ability to impute relationships between unobserved (latent) constructs from observed (measured) variables. In the analysis, the Maximum Likelihood estimation method is used. Suppose the random sample is X_1, X_2, \dots, X_n , for which the probability density (or mass) function of each X_i is $f(x_i; \theta)$. Here, this likelihood function is treated as a function of θ by AMOS and finds the value of θ that maximizes it. Then, the joint probability mass (or density) function of X_1, X_2, \dots, X_n , which can be called $L(\theta)$ is given below.

$$L(\theta) = P(X_1 = x_1, X_2 = x_2, \dots, X_n = x_n) = f(x_1; \theta) \cdot f(x_2; \theta) \dots f(x_n; \theta) = \prod f(x_i; \theta)$$

SUMMARY OF FINDINGS

Based on preliminary analysis, services provided by non-governmental non-profit organizations in Ampara district were categorized into seventeen categories by area of focus such as poverty alleviation education, health, development, sports, environment, women empowerment, entrepreneurship, human rights, child & women protection, relief work, credit & saving mobilization, rehabilitation reconstruction, disaster management, peace & harmony, agriculture, disabled and

orphan. A graphical representation of the subject area/areas covered by organizations is shown in Figure 2. Accordingly, the majority of organizations focus on education (68), followed by development (61), poverty alleviation (61), and women empowerment (57). Also, most of the organizations focused on health (53), and very few organizations focused on agriculture (8).

Figure 2: Subject area/areas covered by organisations

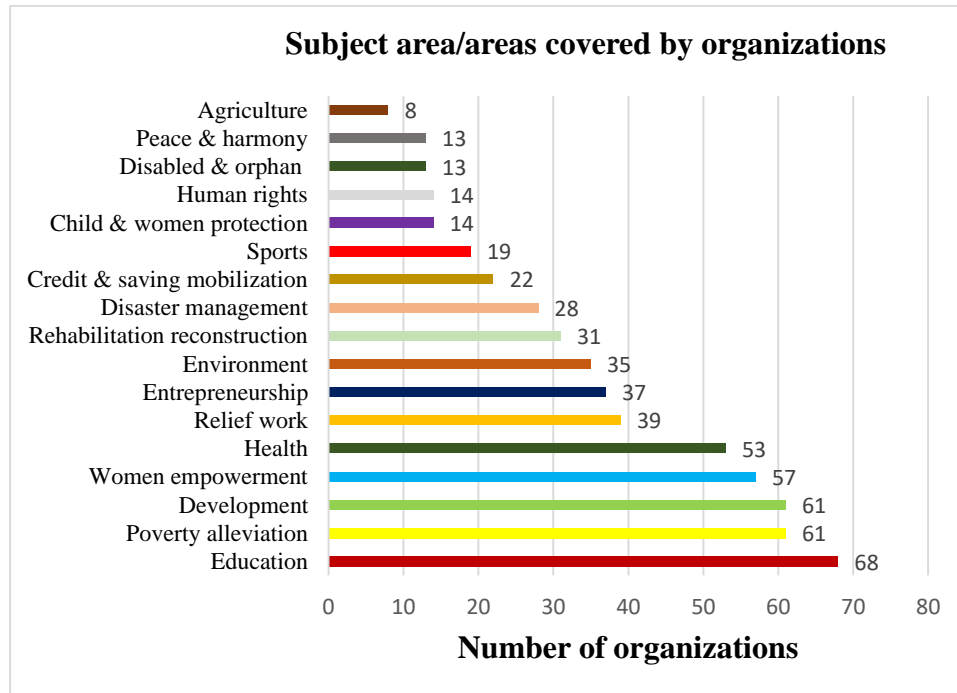


Table 1 shows the demographic on characteristics of organization (Organization age, organization size & type of organization) and the personal characteristics of the respondent (owner or manager) of the organization (Gender, age, religion, level of education, business experience etc.). The study sample comprised of 110 non-governmental, non-profit organizations. Most of the organizations (89.09%) were started within the last 30 years and only a few organizations (4.55%) recorded an existence over 40 years. Considering the number employees in the organizations, 48.18% of organizations having employees between 1 – 5, 15.45% of organizations having between 6 – 10, 27.27% of organizations having between 11 - 15 and 9.09% of organizations consisting employees above 15.

All the participants who participated in this study were above 24 years, while 19.09% were between 25 – 35 years old, 32.73% were between 36 – 45 years old, 30% were between 46 – 55 years old, 15.45% were between 56 – 65 years old, and 2.63% were above 66 years old. From 110 participants in the sample, 77 participants (70%) were male, while 33 respondents (30%) were female. The majority of participants (41.82%) were Muslims, 31.82% were Tamil, and 26.36% were Sinhalese. About 41.82% of participants followed Islam, 20% Hinduism, 17.27% Buddhism, and 20.91%

followed Christianity or Roman Catholicism. With respect to education, 5.45% had a PhD, 19.09% had a postgraduate qualification, 37.27% completed graduate level, 17.27% attended high school, 19.09% studied up to the secondary level, and only 1.82% of participants had education up to primary level. Out of the respondents, 46.36% indicated prior business experience while the rest 53.64% participants did not have any have business experience.

Table 1: Descriptive statistics of the demographic characteristics of the sample

Personal/ Demographic	Frequency	Percentage %
Demographic characteristics of organization		
Organisation's age		
0 – 10	27	24.55
11 – 20	41	37.27
21 – 30	30	27.27
31 – 40	7	6.36
> 41	5	4.55
Number of employees in the organisation		
1 – 5	53	48.18
6 – 10	17	15.45
11 – 15	30	27.27
16 -20	3	2.73
> 21	7	6.36
Demographic & personal characteristics of owner/ manager of organization		
Age of respondent		
25 – 35	21	19.09
36 – 45	36	32.73
46 – 55	33	30.00
56 – 65	17	15.45
> 66	3	2.73
Gender		
Female	33	30.00
Male	77	70.00
Ethnicity or Race		
Sinhalese	29	26.36

Personal/ Demographic	Frequency	Percentage %
Tamil	35	31.82
Muslim	46	41.82
Religion		
Christianity or Roman catholic	23	20.91
Buddhism	19	17.27
Hinduism	22	20.00
Islam	46	41.82
Education level		
Primary	2	1.82
Secondary	21	19.09
High school	19	17.27
Graduate	41	37.27
Post graduate	21	19.09
Doctoral	6	5.45
Business experience		
Yes	51	46.36
No	59	53.64

Note: INGO-International nongovernmental organisation, LNGO-Local nongovernmental organisation, CBO-Community based organisation, SSO-Social service organisations

Non-profit organizations (NPOs) would be far more effective if they are given appropriate funding because resources play a role in those organizations to flourish (Anheier, 2005). In this study NPOs' income sourcing is categorized in to five such as government financial support, other organizations' financial support, individual donation, member's subscription and by involving in kind of earning activities. The graphical representation of sources of income/ funding is depicted in Figure 3. As depicted in the figure, only very few (16%) of organizations received government financial support, while, 52% were receiving financial support from other organizations. In studied sample 51% of NPOs were getting individual donations. The majority of the NPOs (65%) received members' subscription fees as a source of income also as depicted in the figure 47% of organizations were involved in commercial activities. Therefore, NPOs are not depending on one source of income, they are sourcing income/funding in several ways. Even some nonprofits are involving kind of earning activities.

Figure 3: Source of funding/income

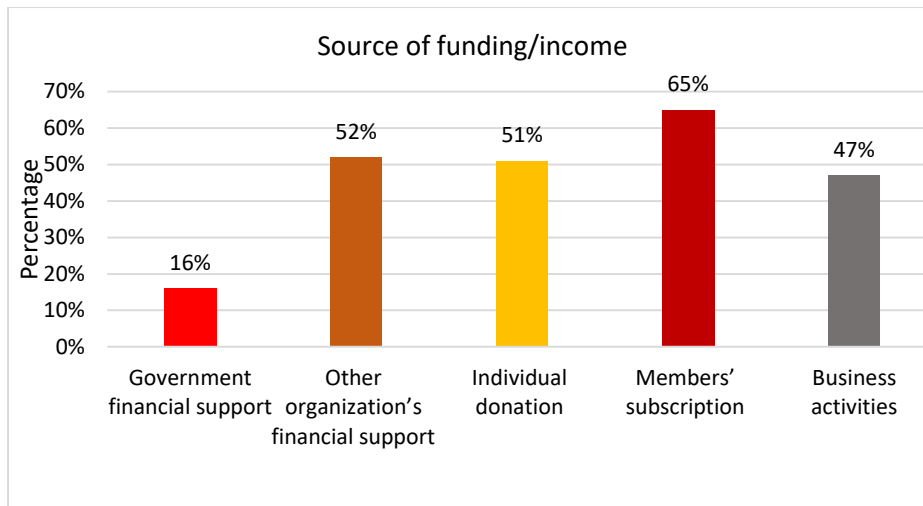


Table 2 shows the results of reliability and validity analysis of the variables in this study. Summarily all the Cronbach's Alpha values for all the variables indicated adequate reliability as all the values were more than 0.70 as referred to Sekaran and Bougie (2016). The validity of the measurement model was assessed through the fitness conditions of the model. The significant level obtaining from the chi-square test (p-value) is higher than 0.05; the value of the statistic of Root Mean Square Error of Approximation (RMSEA) is less than 0.05; the value of comparative fitness index (CFI), general fitness index (GFI), adjusted general fitness index (AGFI), and non-norm fitness index (NNFI) or Tucker-Lewis Index (TLI) is higher than 0.9 (Joreskog and Sorbom, 1996; Shoghi&Safieepoor, 2013). Kim et al. (2016) suggested that RMSEA values less than 0.05 are good, values between 0.05 and 0.08 are acceptable, values between 0.08 and 0.1 are marginal, and a value greater than 0.1 are poor. In here all RMSEA values are in the range of good and acceptable category. Moreover, the acceptable level of SRMR is less than 0.08 (Leach et al., 2008), which establishes the reliability and validity of the items used in the study.

Table 2. Reliability and validity analysis

Variables	Cronbach alpha	RMSEA	CFI	TLI	SRMR
Social entrepreneurial orientation	0.788	0.051	0.996	0.992	0.031
Social network structure	0.883	0.037	0.996	0.992	0.029

Government support	non-financial	0.789	0.061	0.989	0.978	0.034
Organic organisational structure		0.793	0.050	0.993	0.985	0.031
Mechanistic structure	organisational	0.872	0.065	0.987	0.975	0.034

Specification of an SEM: Path Analysis

Organizational as well as respondent factors influencing social entrepreneurial orientation (SEO) of NPOs which are hypothesis 1 and hypothesis 2 were assessed by performing SEM analysis. The measurement model was first specified using confirmatory factor analysis (CFA) to obtain insights on the hypothesized direction of effects. It consists of latent variables and their respective observed indicator variables. The Maximum Likelihood method was used in estimating CFA. The path diagram in figure 4 shows the identified CFA model. According to the coefficient estimates and the model fit indices (CMIN/DF = 1.231, GFI = 0.938, NFI = 0.909, IFI = 0.952, CFI = 0.945, RMSEA = 0.038), it is evident that the hypothesized direction of effects between the constructs is supported by the data. Figure 4 depicts the path co-efficient values on the arrows directed from independent variables to the dependent variables. The path coefficient values are usually considered as regression weights/co-efficient values in multiple regression models.

The estimated path-coefficient values of the structural model are given below in Table 3. Organic organizational structure, earning activities of the organization, owner's/manager's religion, other organization's financial support, individual donation, social network and organization size with SEO were statistically significant at the chosen 5% level of significance. The organic organizational structure and organization size showed a significant positive relationship with SEO, indicating that NPOs tend to show higher SEO with the increasing organic structure adaptation and organization size which is also consistent with the findings of Gresov and Drazin (2007) with a stronger organic organizational structure, SEOs are likely to exhibit higher entrepreneurial orientation (EO). Likewise, with increasing organization size, NPOs tend to show higher SEO and this complies with the previous findings of Jelenc et al. (2016) and Gelan and Wedajo (2013). The organizations that are not involved in earning activities showed less SEO than those organizations involved in earning activities. Compared to Islamic manager/owner managing organizations all other managers/owners' from other religions showed less SEO. SEO adaptation level in NPOs was higher in Christianity/ Roman catholic than both Buddhism and Hinduism. Hindu owner's/manager's managing NPOs showed the least SEO. The organization receiving other organizations' financial support shows comparatively higher SEO than the organization without such support. The organization with individual donation NPOs also showed higher SEO comparatively than the NPOs without receiving individual donations. Compared

to male manager/owner NPOs, female manager/owner NPOs showed less tendency to adopt SEO. Similarly, the social network also showed a negative association with SEO, meaning that with decreasing social network NPOs show high SEO. This is consistent with the findings of Ofem (2014) network size and tie heterogeneity moderate the effect of EO, such that organizations with smaller and less heterogeneous sets of collaborative ties reap higher gains from EO than those with larger and more heterogeneous sets.

Figure 4: Path diagram

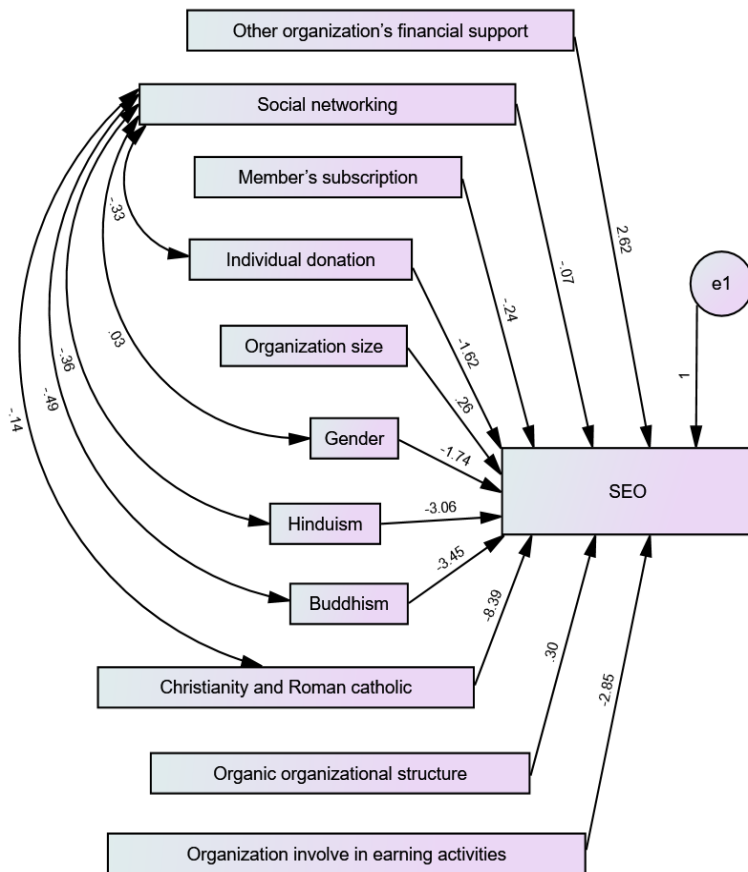


Table 3: Path coefficients

		Variables	Estimate	P
SEO	<---	Organic organisational structure	0.30	0.000**
SEO	<---	Organisation involve in earning activities	-2.85	0.001**
SEO	<---	Gender	-1.74	0.069*
SEO	<---	Hinduism	-3.06	0.011**
SEO	<---	Christianity/Roman catholic	-8.39	0.000**
SEO	<---	Buddhism	-3.45	0.002**
SEO	<---	Other organisation's financial support	2.62	0.003**
SEO	<---	Social networking	-0.07	0.098*
SEO	<---	Individual donation	-1.62	0.071*
SEO	<---	Organisation size	0.26	0.000**

**Statistically significant at 95%, *Statistically significant at 90%.

Moderation Effect

Government support was considered as the moderating variable. Here government financial and non-financial support were considered to measure perceived government support, and two-step clustering

was done to create clusters of different levels of government financial support and government non-financial support. Here, the predictor importance of government financial support was 0.84, and government non-financial support was 1.00, according to the Silhouette measure of cohesion and separation, the cluster quality is good. Forty-four per cent (44%) of NPOs are coming under cluster 1, 43.6% of NPOs are coming under cluster 2 and 16.4% of NPOs are coming under cluster 3. Thus, cluster 1 consists of NPOs that are getting only less non- financial government support, cluster 2 consists of NPOs receiving only high-level non-financial government support, and cluster 3 NPOs are getting both government financial support and government non-financial support.

Figure 4: Silhouette measure of cohesion and separation the cluster quality

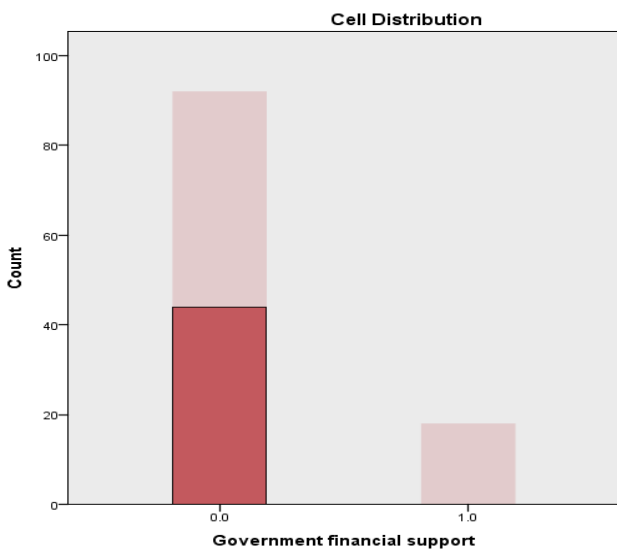
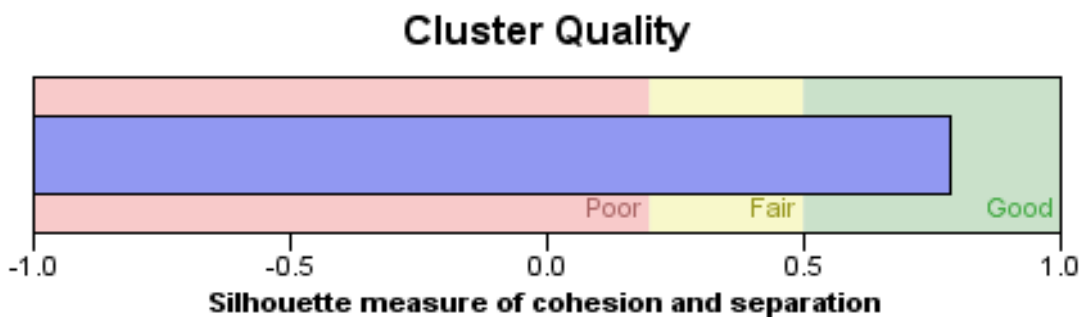
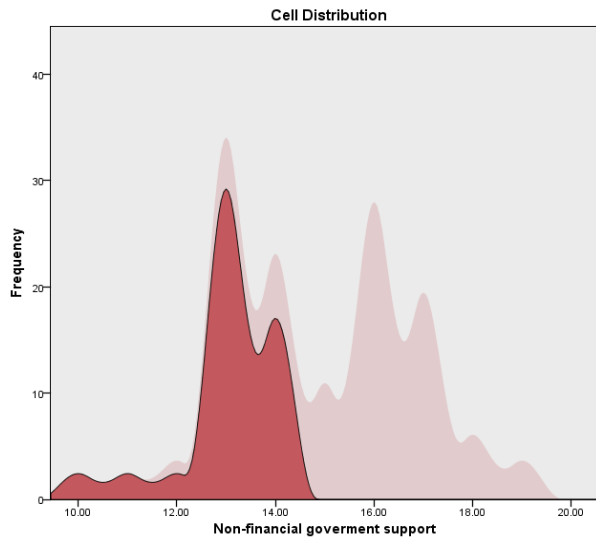
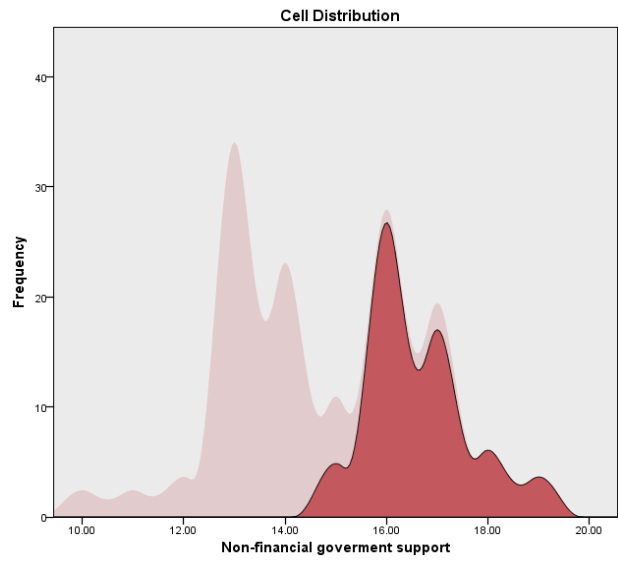
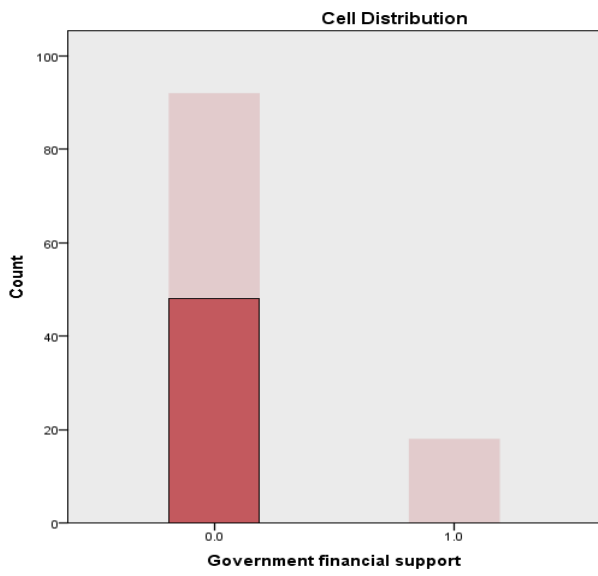


Figure 5: Cluster classifications

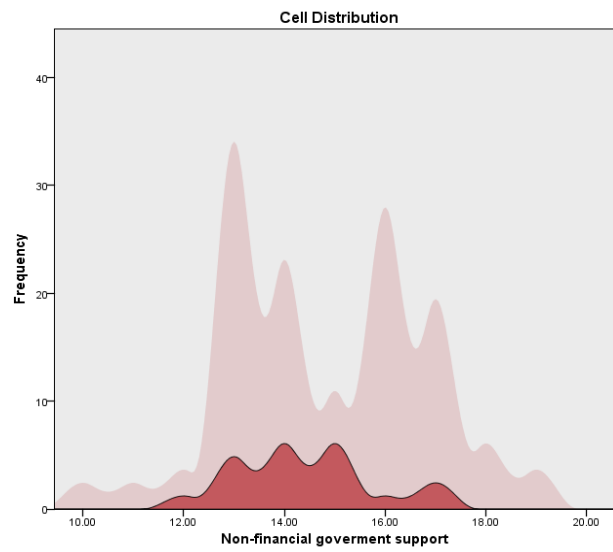
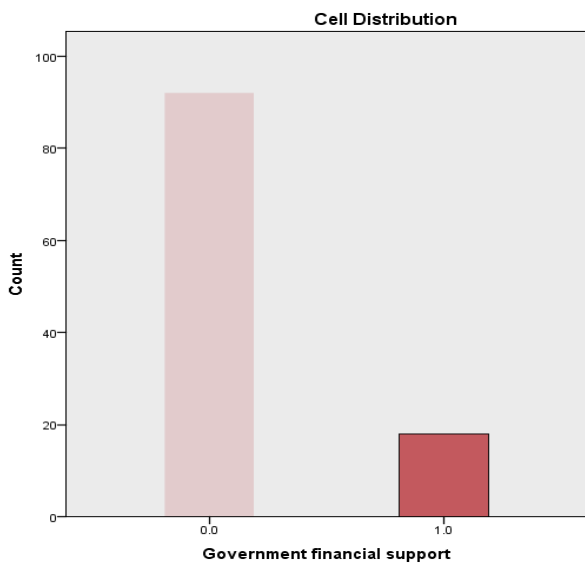
Cluster 1



Cluster2



Cluster 3



In order to study the hypothesis 3 and hypothesis 4 which moderating effect of perceived government support between organizational or respondent characteristics and SEO the SEM with moderator variable was used. Table 4, Table 5 and Table 6 present cluster 1 (lower level of government non-financial support only), cluster 2 (higher level of government non-financial support only) and cluster 3 (both government financial and non-financial support results of the moderating effect of perceived government support accordingly). On the whole, the goodness-of-fit indices met the recommended level (CMIN/DF = 1.716, GFI = 0.928, NFI = 0.902, IFI = 0.906, CFI = 0.916, RMSEA = 0.049).

In accordance with this study the moderating effect of perceived government support is significantly moderating some independent variables in each cluster. If a NPO receives both government, financial, and non-financial support, the independent variables tend to be moderated higher than NPOs receiving government non-financial support only. Also if NPOs receiving higher level of non-financial government support only the independent variables tend to be moderated higher than NPOs receiving less non-financial government support only.

Organization size is significantly moderated by the government support in cluster 3. When considering the organization size, the coefficients are given followingly; for NPOs if there is no moderating effect of government support (0.26) and both government financial and non-financial support (0.31). In that case with increasing organization size NPOs tend to show higher SEO than without no moderating effect. Suppose NPOs are supported by both government financial and non-financial support with increasing organization size SEO tend to increase.

Social networking structure is significantly moderated by the government support in all three clusters. When considering the social network, the coefficients are given followingly; for NPOs if there is no moderating effect of government (-0.07), if the organisations are receiving less government non-financial support only (0.09), receiving higher level of non-financial support only (0.11) and both government financial and non-financial support (0.12). Therefore, with increasing social network, they tend to show higher SEO than without moderating effect. SEO increases comparatively higher with social networking when receiving both government's financial and non-financial support than receiving government non-financial support only. Social networking association is higher when NPOs receive higher government non-financial support than the less government non-financial support.

Organic organisational structure is also significantly moderated in all three clusters at a 5% significance level. When considering the organic organizational structure, the coefficients are given followingly; for NPOs if there is no moderating effect of government (0.30), if the organisations are receiving less government non-financial support only (0.31), receiving higher level of non-financial support only (0.33) and receiving both government financial and non-financial support (0.35). If organisations receive government non-financial support only or both government financial and non-financial support with increasing organic organisational structure, they tend to show higher SEO than without moderating effect. SEO increases comparatively higher with organic organisational structure when receiving both government's financial and non-financial support than receiving government non-financial support only. Organic organisational structure association is higher when NPOs receive higher government non-financial support than the less government non-financial support.

Other organizations' financial support is also moderated by government support in all 3 clusters. In all 3, When considering other organizations' financial support, the coefficients; for NPOs if there is no moderating effect of government (2.62), if the organisations are receiving less government non-financial support only (2.68), receiving higher level of non-financial support only (2.80) and both government financial and non-financial support (3.01). NPOs receiving other organizations' financial support showed higher SEO than NPOs without receiving other organizations' financial support. NPOs receiving other organizations' financial support and both government financial and non-financial or non-financial government support only tend to show high SEO compared to NPOs getting other organisations' financial support and no moderating effect. NPOs receiving both government financial and non-financial support show higher SEO than NPOs receiving other organizations' financial support and government non-financial support only. NPOs receiving higher government non-financial support and receiving other organisations' financial support tend to show higher SEO than the NPOs receiving other organisations' financial support and receiving less government non-financial support.

Association between individual donation and SEO is moderated by government support in clusters 1 and 2. When considering the coefficients; for NPOs if there is no moderating effect of government (-1.62), if the organisations are receiving less government non-financial support only (-1.64) and receiving higher level of non-financial support only (-1.72). NPOs with individual donations show comparatively higher SEO if they are supported by non-financial support and the association is high compared to when the moderating effect is absent. Also, NPOs receiving both individual donations and government non-financial support showed comparatively higher SEO than the NPOs, which are not receiving individual donations but receiving the government's non-financial support. NPOs receiving both individual donations and government's higher level of non-financial support show comparatively higher SEO than the NPOs receiving both individual donations and government's less non-financial support.

The moderating effect on organization involvement in earning activities is significantly moderated in all 3 clusters. When considering the coefficients; for NPOs if there is no moderating effect of government (-2.85), if the organizations are receiving less government non-financial support only (-2.89), NPOs receiving higher level of non-financial support only (-3.05), and both government financial and non-financial support (-3.61). If the NPO involve in earning activities and receiving both government's financial and non-financial support, or government non-financial support only they show higher SEO than the organizations which are not involved in earning activities and receiving both government financial and non-financial support or government non-financial support only. The SEO level is higher in organizations involved in earning activities and receiving both government's financial and non-financial support than the NPOs receiving government non-financial support only. Further, NPOs involved in earning activities and receiving higher government non-financial support only they show higher SEO than the organizations involved in earning activities and receiving less government non-financial support only. This consistent with the findings of Anwar & Li, 2020; Shu et al., 2018 that government financial and non-financial support significantly influences the EO of organizations thereby their performance.

When considering the owner/manager religion, the coefficients are as follow; for Christianity/Roman catholic owner/manager managing NPOs if there is no moderating effect of government (-8.39), if the organisations are receiving less government non-financial support only (-8.83) and both government financial and non-financial support (-9.25), for Buddhist owner/manager managing NPOs if there is no moderating effect of government (-3.45) and NPOs receiving higher level of non-financial support only (-3.75) and for Hindu owner/manager managing NPOs if there is no moderating effect of government (-3.06) and NPOs receiving higher level of non-financial support only (-3.65) and if the organisations are receiving less government non-financial support only (-3.54). If Islamic owner/manager-managed, NPOs are supported by both government's financial and non-financial support or less government non-financial support they tend to show high SEO than Christianity/Roman catholic owner/manager managing NPOs. If the NPOs with Islamic owner/manager and both government financial and non-financial support also tend to show higher SEO compared to Christianity/Roman catholic and without moderating effect. If Christianity/Roman catholic NPOs receiving less government non-financial support, they showed less SEO than Islamic and both government financial and non-financial support but higher than Christianity/Roman catholic no moderating effect. If Buddhist owner/manager-managed NPOs are supported by both government financial and non-financial support they tend to showed less SEO than Islamic owner/manager managing and receiving both government financial and non-financial support NPOs. Buddhism and both government financial and non-financial support tend to show higher SEO compared to Buddhism and no moderating effect. If Hinduism owner/manager managing NPOs are supported by lower

government non-financial support they tend to show less SEO than Islamic owner/manager managing NPOs and receiving lower government non-financial support. Hinduism and lower government non-financial support showed high SEO than Hinduism and no moderating effect.

Similarly, considering the gender, the coefficients are given followingly; for NPOs if there is no moderating effect of government (-1.74) and if the organizations are receiving less government non-financial support only (-2.11). If the owner/manager is female and receives both governments' financial and non-financial support they tend to show higher SEO than male and receive both government financial and non-financial support. NPOs with male and receiving higher government non-financial support only tend show higher SEO than the NPOs with female and receiving only higher government non-financial support. NPOs with females receiving less government non-financial support only tend to show higher SEO than the NPOs with males receiving less governments' non-financial support only.

Table 4: Regression weights for less government non-financial support

		Cluster 1	Estimate	P
SEO	<---	Organic organizational structure	0.31	0.000**
SEO	<---	Organization involve in earning activities	-2.89	0.232
SEO	<---	Gender	-2.11	0.003**
SEO	<---	Hinduism	-3.54	0.000**
SEO	<---	Christianity/Roman catholic	-8.83	0.000**
SEO	<---	Buddhism	1.27	0.100
SEO	<---	Other organization's financial support	2.68	0.000**
SEO	<---	Social networking	0.09	0.000**
SEO	<---	Individual donation	-1.64	0.000**
SEO	<---	Organization size	-0.08	0.204

***Statistically significant at 95%, *Statistically significant at 90%.*

Table 5: Regression weights for higher level of government non-financial support

		Cluster 2	Estimate	P
SEO	<---	Organic organizational structure	0.33	0.038**
SEO	<---	Organization involve in earning activities	-3.05	0.093*
SEO	<---	Gender	-0.57	0.585
SEO	<---	Hinduism	-3.65	0.041**

		Cluster 2	Estimate	P
SEO	<---	Christianity/Roman catholic	0.89	0.554
SEO	<---	Buddhism	-3.75	0.076*
SEO	<---	Other organization's financial support	2.80	0.064*
SEO	<---	Social networking	0.11	0.000**
SEO	<---	Individual donation	-1.72	0.022**
SEO	<---	Organization size	.05	0.343

***Statistically significant at 95%, *Statistically significant at 90%.*

Table 6: Regression weights for both government financial and non-financial support

		Cluster 3	Estimate	P
SEO	<---	Organic organizational structure	0.35	0.000**
SEO	<---	Organization involve in earning activities	-3.61	0.004**
SEO	<---	Gender	2.44	0.101
SEO	<---	Hinduism	2.53	0.089*
SEO	<---	Christianity/Roman catholic	-9.25	0.000**
SEO	<---	Buddhism	-3.70	0.012**
SEO	<---	Other organization's financial support	3.01	0.003**
SEO	<---	Social networking	0.12	0.040**
SEO	<---	Individual donation	1.37	0.144
SEO	<---	Organization size	0.31	0.000**

***Statistically significant at 95%, *Statistically significant at 90%.*

CONCLUSIONS

Overall, this study has provided empirical evidence on the factors that influence SEO among NPOs. This study also examined the moderating role of government support in enhancing SEO. Based on the results, it can be concluded that the explored factors influence the SEO of NPOs. However, the government support plays a significant role in enhancing SEO. The government support enhances the relationship between social network structure, organic organizational structure, and SEO. If NPO receive both government financial and nonfinancial support they are more likely to benefited through social network structure and organic organizational structure. Further, when organizations receive government support and addition individual donations and other organization's financial support those NPOs also tend to adapt more SEO. If organizations receive government support in addition to involving in earning activities, they also tend adapt more SEO.

These findings have important policy and management implications for government and non-profits. The findings imply that policies aimed at developing social entrepreneurial organizations should be sensitive to organizational characteristics such as organization's size, organizational structure, social network structure, source of funding and owner's/manager's gender and religion because government support is significantly moderating the relationship between above mentioned factors and SEO. On the other hand, government support provided to non-profit organizations by Sri Lanka government still require some improvements. Therefore, it is important for the government to join hands in making sure that NPOs are aware of the institutional support such as funding and other programs that are provided by the government in order to enhance NPOs.

Findings of the study advance the social entrepreneurship field by shifting the conversation to intervening mechanisms in the relationship between the social entrepreneurial orientation of the NPOs and the organizational factors. This study is one of the few studies that investigated the effect of SEO and its moderating pathway to SEO in non-profit context. Furthermore, most studies concentrate on the relationship between SEO and NPOs' performance; factors influencing SEO in the social entrepreneurship field are rare, yet it is important to understand the intermediate circumstances through which factors influence SEO of NPOs since SEO of NPOs related to its performance. Future research should discuss other possible factors that are less explored such as social networking and organisational structure and culture in helping NPOs to provide better socially entrepreneurially oriented services to the society so that SEO in NPOs would be able to attain a completely new level of success in meeting society's need.

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